



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4257

Introduced 12/15/05, by Rep. Patricia Reid Lindner

SYNOPSIS AS INTRODUCED:

220 ILCS 5/8-402.2 new

Amends the Public Utilities Act. Provides that each electric utility and each alternative retail electric supplier shall use its best efforts to procure by the end of calendar year 2007 renewable energy resources equal to at least 2% of the electric energy to be sold to retail customers within its service area during the following calendar year, and procure by the end of calendar year 2008 renewable energy resources equal to at least 4% of the electric energy to be sold to retail customers within its service area during the following calendar year. Provides that the Commission, together with the Department of Commerce and Economic Opportunity, shall evaluate the availability and use of renewable energy resources within this State and shall also consider the feasibility of adoption of an enforceable mandatory renewable energy resource portfolio standard to be applicable to all electric utilities and all alternative retail electric suppliers that requires that at least 12% of the energy used within the State be through renewable energy resources by the end of calendar year 2012 and at least 25% by the end of calendar year 2017. Provides that costs associated with the procurement of certain renewable energy resources shall be fully recoverable from retail customers to the extent allowed by law and shall not be subject to specified limitations relating to the recovery of the power and energy cost component in tariffed rates.

LRB094 15767 MKM 50982 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by adding
5 Section 8-402.2 as follows:

6 (220 ILCS 5/8-402.2 new)

7 Sec. 8-402.2. Renewable energy portfolio standard.

8 (a) The objective of this Section is to ensure the
9 development and use of economical renewable energy resources
10 consistent with the goals stated in Section 5 of the Illinois
11 Resource Development and Energy Security Act and specifically
12 to assess whether the State's electric energy providers can
13 economically provide at least 12% of the energy used within the
14 State through renewable energy resources by the end of calendar
15 year 2012 and at least 25% by the end of calendar year 2017.

16 (b) Each electric utility and each alternative retail
17 electric supplier, as defined in Section 16-102 of this Act,
18 must use its best efforts to procure by the end of calendar
19 year 2007 renewable energy resources equal to at least 2% of
20 the electric energy to be sold to retail customers within its
21 service area during the following calendar year, and procure by
22 the end of calendar year 2008 renewable energy resources equal
23 to at least 4% of the electric energy to be sold to retail
24 customers within its service area during the following calendar
25 year. This provision is, however, contingent upon the continued
26 existence of federal energy production tax credits enacted as
27 part of the federal Energy Policy Act of 1992. Violations of
28 this Section are subject to the penalties provided for in
29 Section 5-202 of this Act and assessed through the process
30 provided for in Section 4-203.

31 (c) During calendar year 2008, the Commission, together
32 with the Department of Commerce and Economic Opportunity, must

1 evaluate the availability and use of renewable energy resources
2 within this State and must also evaluate the feasibility of
3 adoption of an enforceable mandatory renewable energy resource
4 portfolio standard to be applicable to all electric utilities
5 and all alternative retail electric suppliers, as defined in
6 Section 16-102 of this Act. The Commission and the Department
7 must specifically evaluate the feasibility and cost
8 effectiveness of a mandatory renewable energy resource
9 portfolio standard of at least 25% by the end of calendar year
10 2017, and may require electric utilities and alternative retail
11 electric suppliers to introduce evidence of their ability to
12 meet that standard. As part of that evaluation, the Commission
13 and the Department must consider each of the following: (i) the
14 adequacy of existing generation capacity and the availability
15 of renewable energy resources in the State and in the region;
16 (ii) the effect of a mandatory renewable energy resource
17 portfolio standard on the costs and reliability of electric
18 service; (iii) the continued availability of federal tax
19 credits; (iv) the development at both the State and federal
20 levels of infrastructure and rules and regulations that promote
21 the development and use of renewable energy resources; (v) the
22 effect of a mandatory renewable energy resource portfolio
23 standard on the development of competition in the provision of
24 service; (vi) the impact of a mandatory renewable energy
25 resource portfolio standard on the environment, quality of
26 life, and employment in the State; and (vii) any other factors
27 affecting the State's economy. The Commission and the
28 Department must report their findings to the General Assembly
29 and must include in that report recommendations for further
30 legislative action.

31 (d) The Commission and the Department must work with other
32 state agencies in the Midwest to ensure reciprocal acceptance
33 of renewable energy credits and certificates from resources
34 located in Illinois for purposes of other states' renewable
35 energy resource portfolio standards.

36 (e) Costs associated with the procurement of renewable

1 energy resources pursuant to this Section shall be fully
2 recoverable from retail customers to the extent allowed by law
3 and shall not be subject to any limitations stated in
4 subsection (i) of Section 16-111 of this Act relating to the
5 recovery of the power and energy cost component in tariffed
6 rates. Costs associated with contracts that were prudent when
7 entered into pursuant to this Section shall not subsequently be
8 denied recovery due to changes in State or federal law.

9 (f) For purposes of this Section, "renewable energy
10 resources" means that term as it is defined in subsection (f)
11 of Section 6-3 of the Renewable Energy, Energy Efficiency, and
12 Coal Resources Development Law of 1997 and includes renewable
13 energy credits or certificates associated with those
14 resources. However, energy from landfill gas shall not be
15 counted as a renewable energy resource to the extent that it
16 exceeds 27.5% of an electric utility's or alternative retail
17 electric supplier's renewable energy resources portfolio. In
18 addition, renewable energy resources shall only be counted for
19 purposes of meeting the standards set forth in this Section if
20 they are based on or relate to production or generation in this
21 State or in an adjacent ozone non-attainment area, as
22 designated by the federal Environmental Protection Agency, or
23 in a state that has entered into a reciprocity agreement with
24 Illinois, as provided in subsection (d) above.